

SENATE BILL REPORT

SB 5117

As Passed Senate, March 1, 2011

Title: An act relating to the population restrictions for a geographic area to qualify as a rural public hospital district.

Brief Description: Concerning the population restrictions for a geographic area to qualify as a rural public hospital district.

Sponsors: Senators Haugen, Ranker, Stevens and Shin.

Brief History:

Committee Activity: Government Operations, Tribal Relations & Elections: 1/25/11, 2/01/11 [DP].

Passed Senate: 3/01/11, 46-1.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS, TRIBAL RELATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Pridemore, Chair; Prentice, Vice Chair; Swecker, Ranking Minority Member; Chase and Nelson.

Staff: Diane Smith (786-7410)

Background: The enabling legislation for public hospital districts (PHD) was enacted in 1945. PHDs are special purpose districts. They are created by a process that begins either by petition of 10 percent of the voters in the proposed district, or by resolution of the county legislative authority. In either case, creation of the district requires a hearing and a simple majority vote of the voters of the proposed district with the total votes cast being more than 40 percent of the total number of votes cast in the proposed district at the preceding state general election.

A PHD may be county-wide, less than county-wide, or encompass area lying in more than one county. In no event may the boundaries divide any existing precinct boundaries or voting precincts.

Governance is by a board of three, five, or seven commissioners who must be registered voters residing in the commissioner district from which they are elected. Voters of the entire

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PHD may vote at a primary or general election to elect the commissioners of their respective commissioner districts.

PHDs are junior taxing districts. Besides regular property taxes of up to 75 cents per \$1000 of assessed valuation, excess property taxes may be levied by a vote of the voters of the PHD.

PHDs also have the authority to contract with or join any other PHD, corporations, individuals, or others to provide health care services. This may be accomplished by establishing a nonprofit corporation or other legal entity of the PHD's choosing.

Rural PHDs have all the powers and duties of other PHDs. In addition, they have the authority to enter into agreements and contracts with other rural PHDs to facilitate cost-effective measures to provide for the health care needs of the people served by the PHDs .

Rural PHDs are those that do not include a city with a population greater than 30,000. Of the 281 cities and towns in Washington, 247 have populations under 30,000 as of 2009. There are 16 cities having from 30,000 to 50,000 population in nine counties.

Summary of Bill: Rural PHDs are those that do not include a city with a population greater than 50,000.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is a simple bill that addresses issues of growth, especially under GMA. In Skagit County, a city can be surrounded by large rural areas. Even though the city's population exceeds 30,000 it does serve truly rural areas. Cost-effective and cooperative clinics, such as oncology and hospice, serve the Skagit County. They share not only provision of service to a wide area but also recruitment of staff and other matters that benefit from economies of scale. The only city this public hospital district bill would apply to is the city of Mt. Vernon in Skagit County.

Persons Testifying: PRO: Senator Haugen, prime sponsor; Diane Morton, Skagit Valley Hospital; Ben Lindekugel, Association of Washington Public Hospital Districts.